



Tennessee Regulatory Authority

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Gas Companies say Consumers' Energy bills to rise during winter season

Nashville – Users of natural gas should expect to see their home heating costs increase 30-40 percent this winter, say officials from Nashville Gas, Chattanooga Gas, and United Cities Gas.

The information was presented as part of a Tennessee Regulatory Authority (TRA) energy summit, in which gas utilities under TRA jurisdiction were invited to participate in a forum to discuss the outlook of natural gas prices for this coming winter.

The reasons for the expected increase, say the companies, are related to a number of factors, but are mainly due to a nationwide increase in the demand for natural gas.

But gas company officials assured the TRA that they are doing everything possible to get natural gas from suppliers at the lowest possible cost, but lower gas inventories with increased demand is increasing the commodity cost of natural gas.

Because of the anticipated rise in home energy costs and the subsequent impact such an increase could have on some consumers, participating in the summit were officials from the Tennessee Department of Human Service to discuss the *Low Income Home Energy Assistance Program (LIHEAP)*.

LIHEAP is a federal block grant program that is designed to provide funds for energy assistance payments for low-income households. The program is administered by the Tennessee Department of Human Services, and is used to provide heating assistance, cooling assistance, and help for energy emergency needs during the winter and summer seasons.

Of particular concern to TRA officials, in view of the forecasted increase to consumers' heating bills, is the companies' lack of contingency plans should the number of customer disconnects for non-payment, exceed the normal number of disconnects by a substantial amount.

Also raised were concerns about the efforts natural gas companies were taking to inform their customers about the expected increase in cost for natural gas this winter

TRA officials have requested that all companies under its jurisdiction develop contingency plans for addressing these concerns and present their plans to the TRA by December 1, 2000. In addition, monthly reports comparing the year-to-year number of disconnects are also to be filed with the TRA beginning on November 1, 2000.

For more information about this subject, consumers should contact the natural gas utility provider in their area.

For more information about the TRA, visit our web site at www.state.tn.us/tra.

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